MR. JAMES SIMPSON: The honourable member said that there is no budget provision for a tuberculosis hospital. I want to clear up that matter. I am very glad to be able to tell the member that the money which will be needed for the erection of a hospital is found from the King George Jubilee Fund. A part of that money to the extent of Rs. 50 thousand will be utilised for the institution of a tuberculosis hospital. The acquisition of necessary land is complete and the necessary plans and estimates have been made out. The work will be started as soon as practicable.

MR. K. NARAYANAPERUMAL NADAR: How can work be started when there is no money?

PRESIDENT: The honourable member probably did not hear what Mr. Simpson said on the point. The Surgeon General pointed out the funds in the hands of the Travancore Government for establishing a tuberculosis sanatorium.

MR. JAMES SIMPSON: We are bound to tackle that disease. When one trained hand is a vaiable, we will utilise the services of that specialist in the General hospital in the first instance. When more qualified hands become available, they can be distributed throughout the State. So, I merely put it to the House to employ the person who has got the necessary training firstly in the General hospital.

MR. K. NARAYANAPERUMAL NADAR: I beg to press the amendment.

The Demand was then put to vote and carried, one dissenting.

The grant was made.

SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS.

RAO BAHADUR RAJYASEVANIRATA DR. N. KUNJAN PILLAI: Sir, I move that Government be granted a sum of Rs. 1,100 for hiring a building to provide sufficient accommodation to the Department for the Publication of Oriental Manuscripts. The Curator for the publication of Oriental Manuscripts was holding his office in a small, rented building till about Mithunam last year. About that time the Government sanctioned some additional staff for the preparation of a special descriptive catalogue of various manuscripts with a view to make them available to the delegates of the forthcoming Oriental Conference. With the entertainment of this additional staff the necessity for a bigger building for the office of the Curator was felt and the Government hired a building on a rent of Rs. 80 per mensem from the beginning of Mithunam 1112. Originally the idea was to use the ground floor of this building for the office of the Curator and the first floor for the office of the Economic Development Board. The Economic Development Board office has since been housed in another building. The first floor of this building has therefore been let to Dr. Cousins from whom the Government are recovering half the rent for the building. The money recovered from Dr. Cousins is credited as revenue and the whole rent has to be paid from the budget allotment which is not sufficient for that purpose. Besides payment of the rent some purchases, such as furniture

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etc., for the new staff, have also to be made. According to the agreement with the owner of the building, the annual repairs and maintenance of the building have to be attended to by Government. Electric charges have to be met for which a larger amount than the provision in the budget is required in view of the nature of the building. A telephone had to be installed at the building for which some allotment has to be made. To meet all these charges it is proposed to provide an allotment of Rs. 1,100 for the current year. I hope the House will allow the grant.

MR. K. NARAYANAPERUMAL NADAR: Sir, I move to omit the allotment of Rs. 1,100. The department exists only like an ornament to the State and it cannot be run on a commercial basis. For the last 25 years and perhaps even more the Government had been publishing only Malayalam and Sanskrit manuscripts. I do not think there is any more Malayalam or Sanskrit manuscripts to be published.

PRESIDENT: There is matter for publishing 7,000 more of the kind.

MR. K. NARAYANAPERUMAL NADAR: Then I will pass on to the other point. The publications of Malayalam and Sanskrit manuscripts in my opinion, is not so useful to the State as the publication of Tamil manuscripts. The State in the past had been a Tamil Nad. The Government of Travancore had also encouraged the spread of Tamil in various localities. There are several Tamil manuscripts in the State and particularly in south Travancore, I have been told by the Tamil Lecturer in the Maharaja's College of Science, that there are very many manuscripts, very valuable ones, for publication and that the department could be run on a commercial basis. If the Government could give an undertaking, *viz.*, that they will consider the desirability of publishing Tamil manuscripts, I shall withdraw the amendment. It is enough they say that they will consider the possibility of doing it. I do not want any assurance from Government on that point.

RAO BAHADUR RAJYASEVANIRATA DR. N. KUNJAN PILLAI: Yes, Sir. I can promise that the Government will consider the question especially now that a new University is going to be started. It is the intention of Government to bring the department for publication under the control of the University. I am sure the University authorities will take steps to include within the scope of the department the publication not only of Malayalam and Sanskrit manuscripts but also of Tamil manuscripts as suggested by my friend Mr. Nadar.

PRESIDENT: I think the honourable member will be quite glad to learn that already in the office of the Curator for the publication of manuscripts some Tamil publications are in progress. It was brought to light two days back. The intention of Government is to make a more intensive collection and research for Tamil publications. At no time is the publication of manuscripts intended to be on a commercial and profitable scale and it is not intended to apply that test in the publication.

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MR. K. NARAYANAPERUMAL NADAR : In view of the assurance made by Government I beg to withdraw my amendment.

The Demand was then put to vote and carried.

The grant was made.

Presentation and discussion of the report of the Public Accounts Committee on the Audit and Appropriation accounts of 1111 M. E.

RAO BAHADUR A. RENGASWAMI AIYAR : Sir, I rise to present the Report of the Public Accounts Committee.

MR. PULIYUR T. P. VELAYUDHAN PILLAI (*Tiruvalla*) : Sir, may I move all the resolutions on the roport of the Public Accounts Committee on the audit and appropriation accounts of 1111 M. E. ?

PRESIDENT : You may move, one by one.

MR. PULIYUR T. P. VELAYUDHAN PILLAI : Sir, at the outset I beg to make a few general observations regarding the Public Accounts Committee Report for the year 1111.

[The Deputy President took the Chair.]

When we compare the report with that of previous years we find that the report under discussion will be rather incomplete and not sufficiently instructive. The Public Accounts Committee Report of the previous year consisted of two parts, *viz.*, the first part dealing with appropriation accounts and the second part dealing with audit report. In the present report, the audit report portion is conspicuously absent. It is the audit report portion that deals with financial and other irregularities. In chapter II part II of the Audit and Appropriation Report of 1111 we find that there were 21 cases of misappropriation in the Land Revenue Department alone. There were several cases of frauds and misappropriations in the Judicial, Police, Education, Medical, Public Health and Anchal Departments. It can also be seen that large sums of money due to Government from the abkari and forest contractors had to be written off as irrecoverable, because even under the Revenue Recovery Regulation the amount could not be realised the properties, possessed by the defaulters being heavily encumbered.

Sir, the report under discussion does not contain any particulars regarding this very important matter. A reading of the report will convince anybody that the Public Accounts Committee have not bestowed any sufficient consideration over the question of defalcation or misappropriation of Government money. The punishments awarded to the delinquents do not at all appear to be adequate. It is high time for the Government to take stringent steps for the complete prevention of such misappropriation of Government money.

Another point is that as per rule 10 of the Public Accounts Committee supplementary rules the Financial Secretary had placed before the Committee a list of supplementary grants obtained by Government during the year for new services, for the opinion of the Committee whether these were for new services or not. The question arose whether the supplementary grant made for the purchase of a dredger for the Alleppey Port was for a new service or not. Though the learned

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Chairman of the Committee stated that it was a doubtful case, the Committee simply passed it as a new service. This light and easy way of recording the opinion by a responsible committee is highly objectionable. If that is the opinion of the Committee then every supplementary grant may be brought within the category of new services and the Legislature will be obliged to sanction them. This is highly objectionable. With these general observations, I may be permitted to move my first resolution. The resolution is this :

> "This Assembly recommends to Government that severe steps be taken against the Heads of Departments who were responsible for making the Demands for unnecessary supplementary and additional grants either voted or sanctioned under Section 32."

Page 3 of the Public Accounts Committee Report says that in 18 instances demands for supplementary and additional grants were made unnecessarily by the Heads of Departments and sanctioned either by the Legislature, or by the Dewan under Section 32 of the Legislative Reforms Regulation. The total amount of such supplementary and additional grants unnecessarily obtained was Rs. 2,62,309. But the actual expenditure of these departments during the year fall short of even the original grant by Rs. 15,79,267. This sort of applying for unnecessary supplementary and additional grants should never be tolerated by this House. When members of the Legislature urge upon the attention of Government the necessity for a provision being made in the budget for making a road or constructing a small bridge, the usual answer from the Government is that on account of want of funds Government are not in a position to comply with the request contained in the representation. At the same time, they find no difficulty whatsoever to sanction any amount in the shape of unnecessary supplementary and additional grants. This system adopted by the Government is highly objectionable. Moreover by sanctioning in this way unnecessary supplementary and additional grants, more beneficial activities of other departments will no doubt be impoverished and that will be extremely prejudicial to the general interests of the public. With these observations, I commend the resolution for the unanimous acceptance of this House.

DEPUTY PRESIDENT: The resolution does not appear to have been seconded.

MR. PULIYUR T. P. VELAYUDHAN PILLAI: Under the Rules and precedents it is not necessary. Neither the motion for consideration of the Report nor any resolution based on it, need be seconded because it is intended only as a device for initiating a formal discussion.

MR. KAYALAM PARAMESVARAN PILLAI: This resolution comes under the Public Accounts Supplementary Rules. Those rules do not provide that this should be seconded.

DEPUTY PRESIDENT: So the resolution is open for discussion. Any member wishing to speak on the resolution is free to do it.

RAO BAHADUR A. RENGASAWMI AIYAR: Sir, in his general observations, the honourable member criticised the work of the Public Accounts Committee.

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MR. PULIYUR T. P. VELAYUHAN PILLAI: I am unable to hear anything.

RAO BAHADUR A. RENGASWAMI AIYAR: I do not propose to make any comments on those observations. As regards the resolution itself, the supplementary grants were scrutinised by the Finance Committee before they were moved in the Legislature. The Public Accounts Committee also went in detail into the explanations given for the savings and they were quite satisfied with the validity of the explanations given in the Public Accounts Committee's report. The explanations are given in para 6 page 4 of the Public Accounts Committee's report. They are also given in para 15 and pages 11 to 13 of the Public Accounts Committee's report. I shall summarise the explanations briefly.

I shall first take up the Public Works Department. This accounts for a big saving of nearly Rs. 14 lakhs. That is mainly due to the fact that the expenditure on Town Planning and Drainage Schemes which was budgeted for under revenue in the original budget for that year was at the close of the year debited to capital head. This transfer could not have been foreseen at the time of moving the supplementary grant. If this transfer was not given effect to there would have been an excess of Rs. ·7 of a lakh instead of a saving. This transfer could not have been foreseen by the people who moved the supplementary grant at that time. Then the supplementary grant included a demand for a grab dredger for the Alleppey Port. The explanation for a saving under this item is given in page 12 of the Public Accounts Committee report. The dredger ordered from England arrived only at the close of the year 1111 and it was not then possible to assemble the parts and test the same before the close of the year due to unfavourable weather conditions. The firm was therefore paid only two-thirds of the value of the plant and a portion of the erection charges. Here also the saving was unavoidable. It could not have been foreseen. Moreover there is a rule in the Legislative Rules, that when there is a need for expenditure on a new service a supplementary demand should be moved. This rule does not say that if there is a saving under the budget, then the supplementary demand need not be moved. The practice has been that when there is a new service and when money is found necessary therefor, a supplementary demand has to be moved, whether any saving is anticipated or not.

As regards the other heads, Education, Police and Administration of Justice, the savings occurred under the heads salaries and establishment charges which could only be ascertained at the close of the year. Savings are due to vacancies, the number of men taking leave and the difference in the acting allowances. These could not be anticipated when the demands for additional grants were made. In the case of other departments such as Industries and the Excise Departments additional grants were applied for in the early part of the year. That is one explanation for the saving. In the case of certain other departments such as General Administration, it covers both the General Administration and Public Service Commissioner. The supplementary grant was applied for for the Public Service Commissioner and it was

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utilised, but the savings which occurred related to the General Administration. In the case of the Anchal Department certain works for which provision was made in the budget had to be postponed which was not foreseen at the time the supplementary grant was moved.

Excluding the Public works Department which was due mainly to new services, Alleppey dredger and the transfer of expenditure from revenue to capital, and Education Department which is a big department dealing with salaries of considerable staff and in which the excess related only to savings under salaries, which could not be foreseen at the time of moving the supplementary grant, and excluding provision for new services which had to be moved irrespective of savings in the original grant, the net amount of savings for which explanation must be given amounted to Rs. 71,500. It will be seen that this sum is trifling when compared with the number of demands and numerous officers scattered all over Travancore, who are entrusted with the expenditure of this amount. So, for practical purposes, there has been no negligence or carelessness on the part of the departmental officials and if we have to introduce a closer control, it will involve considerable extra cost. We may have to set up parallel departmental accounts in every office and the offices of the Heads of Departments. Considerable additional clerical staff will be necessary to do this and watch the monthly progress of expenditure under each individual head in all the departments. In the Education Department we are introducing a system of monthly reconciliation.

MR E. P. VARUGHESE: Why not we introduce it in the P. W. Department also which is an equally big department?

RAO BAHADUR A. RENGASWAMI AIYAR: There has not been any saving in that Department. It is not worthwhile to incur monthly expenditure for this purpose. Morover a system of reconciliation exists to some extent in that department also.

On the whole there has been no negligence and practically there has been very close estimating for all practical purposes. So I oppose the resolution.

MR. A. THANU PILLAI: May I know what work under Buildings and Communications will suffer on account of the purchase of the Travancore House at Madras?

RAO BAHADUR A. RENGASWAMI AIYAR: None suffered.

MR. A. THANU PILLAI: The amount provided for under Buildings and Communications seems to have been diverted for the purchase of the Travancore House at Madras.

RAO BAHADUR A. RENGASWAMI AIYAR: The expenditure of Rs. 2,29,206 was non-votable.

MR. A. THANU PILLAI: I wish to know the reason for the diversion from a votable head to a nonvotable head?

RAO BAHADUR A. RENGASWAMI AIYAR: It is admissible under the rules.

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MR. A. THANU PILLAI: What work suffered on account of this transfer?

RAO BAHADUR A. RENGASWAMI AIYAR: None, because there is a saving.

MR. A. THANU PILLAI: I wish to say a few words in connection with this motion. Though I could not hear the Financial Secretary fully, I think I am right in understanding him to have said that supplementary demands are made even though the original grants are not fully spent because there is no knowing till the end of the year as to what savings could be made under particular heads. That, Sir, is an unsatisfactory way of putting the matter. The real objection is not so much to asking for supplementary grants as to getting sanction for substantially more funds than could be spent during the year. When funds have been got sanctioned under particular heads for particular purposes that means that other needs are made to suffer. Ultimately it will be seen that these allotments were obtained when they were not required.

I may for instance refer to the Department of Education. The sanctioned original grant was Rs. 47,69,000 odd. The amount actually spent was only 46 1/2 lakhs of rupees. Sir, that was in the year in which the Aided schoolmasters' grant was reduced. Here we find that the actual expenditure have been Rs. 1 1/4 lakhs less than the original grant and yet the Director of Public Instruction told us that he stood in need of reducing the grant of these Aided schoolmasters.

Now, if the Budget had been more properly and more carefully framed and the funds actually required for the operations of the department alone were got sanctioned that situation could not have arisen. The Vernacular schoolmasters would have been paid in full. (At this stage the Deputy President left the Chair and the President presided.) Sir, that is an aspect of the matter which I would very much like the departmental heads and the Government to bear in mind. There is a tendency to over-estimate items of expenditure. But that is not sound budgeting. So also in regard to the other spending departments.

MR. C. V. CHANDRASEKHARAN (*Director of Public Instruction*): Is the honourable member aware that when expenditure has to be incurred for a new service the Government have to come before the legislature for their sanction even though funds were available in the budget?

MR. A. THANU PILLAI (*Trivandrum-Town*): That question does not at all arise from what I have been saying. I am sorry that the honourable member was not listening to me. My argument was somewhat in support of what is contained in the question of the honourable member. I say I don't so much object to supplementary grants being made for a new service as to unnecessary funds being got sanctioned at the beginning of a year and not spending that.

RAO BAHADUR A. RENGASWAMI AIYAR: Sir, I may explain the savings of the Education Department under Salary and Establishment. Rs. 22,000 were moved for a specific purpose. After the preparation of

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the budget the Director of Public Instruction brought to the notice that additional expenditures will be necessary for this item. In the beginning of the year we cannot estimate what will be the savings under salaries and establishment. That cannot be anticipated. Vacancies arise off and on and there is the difference between acting allowance and the pay of the substitute and of the permanent incumbent. So it is not possible in the beginning of the year or in the middle of the year to estimate correctly what will be the savings under salaries and establishment.

PRESIDENT : The horourable member will confine himself to correcting the statement made and he can give his speech at the end.

MR. A THANU PILLAI : The Financial Secretary seems to tell me that the actual expenditure could not be forecast at the beginning of the year because there may be changes in respect of expenditure on account of salaries during the course of the year as the officers will be taking leave and their leave allowances etc., will have to be taken into account. I take it that an experienced and a careful departmental head and an experienced and careful Financial Secretary ought to know where they stand in regard to these matters. By experience the officers concerned would be able to fix the amounts required with much greater accuracy than they are doing now. It is not pure arithmetic alone that will help them. It is not a new thing for the officers to take leave. They take leave every year and leave allowances are given to them. I should think that an experienced and efficient budgeting officer's duty is to see that such large differences between the forecast and the actual expenditure are avoided and that he budgets for the amount that will be really required and not for a much larger amount. I was giving to refer to the figures relating to buildings and communications. I see that Rs. 29 lakhs was provided for and the actual expenditure is Rs. 23 lakhs. The Financial Secretary said that was partly due to the change in the system of accounting, for a portion of the amount was made over to capital expenditure. Still I think there is considerable difference. With regard to this aspect of our budget I point out that the officers must be more careful hereafter.

Then again, since Section 32 is brought iu this discussion I may make one observation regarding it. I find often that Section 32 is resorted to unnecessarily. I can see that it is at times necessary to authorise expenditure under the provisions of that Section. But I say that Government invoke the help of that section very often when they can very well consult the legislature. Though they could not in all cases consult the Legislature they could at least see that the Finance Committee is consulted. It was promised on behalf of Government that at least a statement of expenditure incurred under Section 32 would be placed before the Finance Committee for their consideration. But I find that the promise is not being kept up. Even this year expenditure was incurred under this Section. This we can see from the statement placed before us today. Any way I would urge upon the

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Government the necessity or at least the desirability of consulting the Legislature and the Finance Committee and as far as possible restricting the use of the power under the provisions of this Section to really necessary and inevitable cases. With these words I support the resolution. I may also submit for the consideration of the Chair that the practice in discussing the Report of the Public Accounts Committee has been.....

PRESIDENT: Under the Rules framed the Chamber concerned is at liberty to discuss the Report and make additional recommendations in the form of resolutions. When the resolutions are disposed of there will be time for the Report as a whole to be discussed. This concentrated attention on a particular point and the general discussion on the Report may still take place.

The resolution was put to vote and lost.

MR. PULIYUR T. P. VELAYUDHAN PILLAI: Sir, the next resolution which I wish to move is as follows:—

> "This Assembly recommends to Government that severe steps be taken against the Heads of Departments who did not surrender any amounts as per the circular issued to them, even though they could have surrendered amounts."

Article 244, Account Code, Part I, requires every head of Department to submit a formal report as soon as he sees lapses or savings and to surrender whatever sum that is not likely to be spent during the remainder of the year. In addition to this, pages 47 and 48 of the Audit and Appropriation Report of 1111 show that circulars were also issued by Government to all the Heads of Departments to surrender whatever amount they expected to save during the year. Sir, in spite of the general rules and special circulars it is seen from the Audit and Appropriation Report that some of the Departmental Heads who could have surrendered amounts did not care to do so. Sir, this is a clear case of disobedience of Government order and dereliction of duty on the part of some of the Heads of Departments. The result will be that such Departmental Heads in their anxiety to spend the whole sanctioned amount during the course of the year are likely to commit substantial wastes in respect of such funds to the utter prejudice and complete disregard of public benefit. This undesirable practice on the part of the Heads of Departments cannot and should not be tolerated by the representatives of tax payers of the land. Sir, I move this resolution for the acceptance of this House without any division.

RAO BAHADUR A. RENGASWAMI AIYAR: Sir, surrenders as a matter of fact were made whenever it was possible to foresee savings.

PRESIDENT: I am afraid that the honourable member has to raise his voice a little more.

RAO BAHADUR A RENGASWAMI AIYAR: During the recent years much improvement was noticeable in this respect. In 1109 the number of surrenders were nil and the amounts surrendered were nil. In 1110 the number of surrenders were 13 and the amount surrendered

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was 1,70,000 rupees. In 1111 the number of surrenders was 14 and the amount surrendered was Rs. 5,78,608. So, as explained already in connection with the other resolution I may say that it is not always possible to foresee exactly what amount can be saved. Wherever it was possible to foresee, the officers have surrendered the amount and carried out the orders of Government. Without additional expenditure on clerical staff, it is not possible to arrange for a clear control. So I think, on the whole, the control exercised is quite satisfactory from a practical point of view and nothing more can be done in this respect. Sir, for these reasons I oppose the resolution.

The resolution was, by leave, withdrawn.

MR. PULIYUR T. P. VELAYUDHAN PILLAI: In view of the explanations given by the Financial Secretary I do not wish to move the subsequent two resolutions.

PRESIDENT: The report is now before the House. The honourable members who want to make observations on the Report may do so. (No member stood up.) I take it that nobody is willing to offer any remarks. So, I take that the Report has been considered.

The house adjourned at 12-58 of the clock to meet again tomorrow at 11 A. M.

E. I. CHACKO,

Secretary to the Sri Mulam Assembly.

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